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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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to Section 27 of this Agreement, in no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including, but not limited to, loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages.

26.4 Except (i) as otherwise provided in Section 25 and (ii) to the extent that appropriate remedies are agreed to by the Parties or ordered by the Commission in accordance with Section 27, each Party's liability to the other Party for any Loss relating to or arising out of any negligent act or omission in its performance of this Agreement, whether in contract or in tort, shall be limited to the amount that is or would have been charged to the other Party by such negligent or breaching Party for the specific service(s) or function(s) not performed or improperly performed, and only for the period of time such service or function was not performed or improperly performed.

27. PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

27.1 Performance Standards

27.1.1 NYNEX shall provide CLI with service that is at least equal in quality to that provided by NYNEX to itself or any subsidiary, provided, however, that the level of service it provides shall be no worse than NYNEX provides to itself as of the Effective Date of this Agreement. For purposes of this Section 27, NYNEX shall comply with the Performance Standards specified in Attachment D ("Parity Standards") and Attachment E ("Incident-Based Standards"). The Parity Standards (Attachment D) represent the level of service that NYNEX provides to itself as of the Effective Date of this Agreement, which shall mean the service level provided in calendar year 1996, if such data exists, or if such data does not exist, the first twelve-month period for which data is compiled pursuant to Section 27.1.2.

27.1.2 NYNEX agrees to measure and track service quality and to provide monthly reports to CLI in the form contained in Attachment D.

27.1.3 In the event that NYNEX fails to conform to the Performance Standards set forth in this Section 27, and Attachments D and E, CLI may request, and NYNEX shall perform and deliver to CLI, a root-cause analysis of the reasons for NYNEX's failure to conform, and NYNEX shall correct said cause as soon as reasonably possible.

27.2 Liquidated Damages

27.2.1 Certain Definitions. When used in this Section 27.2, the following shall have the meaning indicated:

27.2.1.1 "Specified Performance Breach" means the failure by NYNEX to meet the Incident-Based or Parity Performance Standards set forth in Attachments D and F.

27.2.2 Specified Performance Breach. In recognition of the (i) loss of customer opportunities, revenues and goodwill which CLI might sustain in the event of a Specified Performance Breach; (ii) the uncertainty, in the event of such a Specified Performance Breach, of CLI having available to it customer opportunities similar to those opportunities currently available to CLI; and (iii) the difficulty of accurately ascertaining the amount of damages CLI would sustain in the event of such a Specified Performance Breach, NYNEX agrees to pay CLI, subject to Section 27.2.4 below, Liquidated Damages as set forth in Section 27.2.3 below in the event of the occurrence of a Specified Performance Breach.

27.2.3 Liquidated Damages. CLI and NYNEX agree and acknowledge that: (i) the Liquidated Damages are not a penalty and have been determined based upon the facts and circumstances of CLI and NYNEX at the time of the negotiation and entering into this Agreement, with due regard given to the performance expectations of each Party; and (ii) CLI shall not be required to provide any proof of the Liquidated Damages. The Liquidated Damages shall be the sole and exclusive remedy of CLI under this Agreement for NYNEX's failure to meet any Performance Standard as described in Section 27.2.5 and Attachments D and E.

27.2.4 Limitations. In no event shall NYNEX be liable to pay the Liquidated Damages if NYNEX's failure to meet or exceed any of the Performance Standards is caused, directly or indirectly, by a Delaying Event. A "Delaying Event" means (i) a failure by CLI to perform any of its obligations set forth in this Agreement; (ii) any delay, act or failure to act by CLI or a customer, agent or subcontractor of CLI; (iii) any Force Majeure Event; or (iv) such other delay, act or failure to act upon which the Parties may agree. If a Delaying Event (i) prevents NYNEX from meeting any of the Performance Standards specified in Attachments D and E, such Specified Performance Breach shall be excluded from the calculation of any Liquidated Damages; or (ii) only suspends NYNEX's ability to timely meet a Performance Standard, the applicable time frame in which NYNEX's compliance with the Performance Standard is measured shall be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the Delaying Event.

27.2.5 Application of Liquidated Damages

27.2.5.1 Incident-Based Standards. Subject to the limitations set forth in this Agreement, NYNEX shall pay as Incident-Based Liquidated Damages for a Specified Performance Breach, the amounts set forth in Attachment F. Liquidated Damages shall not be paid when NYNEX fails to meet Performance Standards because the customer or CLI is not ready, required access is not available, or, with respect to Interconnection trunks, when trunks exceed the annual forecast as updated pursuant to Section 20.3 by more than five percent (5%) in a specific location. For unbundled elements and resold service restoration, an out of service incident is as specified in Attachment F.

27.2.5.2 Parity Standards. Subject to the limitations set forth in this Agreement, NYNEX shall pay as Parity-Based Liquidated Damages the amounts set forth in Attachment D. The Parity Standards measured in accordance with Attachment D reflect

the performance that NYNEX provides to itself or any subsidiary or its own end user customers as of the Effective Date of this Agreement.

27.2.5.3 The levels of performance provided by NYNEX to itself and to CLI shall be determined annually based on the performance reports furnished in accordance with Section 27.1.2. If the reported level of performance for any Parity Standard listed in Attachment D that NYNEX provided to itself is better than the level set forth in Attachment D, the improved performance level for the preceding year shall replace the performance level contained in Attachment D for the following year, and the Liquidated Damages schedule shall be adjusted accordingly.

27.2.5.4 NYNEX shall pay CLI for deviations from any Parity Standard in accordance with the Liquidated Damages set forth in Attachment D within sixty (60) days after the end of each anniversary of the Effective Date.

27.3 CLI shall pay fees as set forth in Section 9.11 - Maintenance of Unbundled Network Elements.

27.4 The Parties acknowledge that the PSC has initiated a proceeding (Case No. 97-C-0139) in which the Commission may establish generic service standards and possible damages to the extent such standards are not met. At its option, CLI may elect in its entirety, and subject to all terms, conditions and other limitations as may be applicable, to incorporate and replace such decision into this Agreement in lieu of this Section 27.0.

28. REGULATORY APPROVAL

28.1 Each Party shall reasonably cooperate with the other in obtaining and maintaining any required regulatory approvals for which the Party is responsible in connection with the performance of its obligations under this Agreement.

28.2 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties covenant and agree that this Agreement is satisfactory to them as an agreement under Section 251 of the Act. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification, subject to the rights of the Parties to appeal or challenge arbitrated provisions or arbitrated decisions. The Parties also reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission, FCC or any court rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion(s). If such new terms are not renegotiated within thirty (30) days after such rejection, the dispute shall be referred to the Commission or FCC for mediation, and within one hundred and thirty-five (135) days after such rejection the dispute shall be referred to the Commission or FCC for arbitration.

ATTACHMENT D
PERFORMANCE MEASUREMENTS

Comparability Reports for Resale

<i>Product:</i>	Resale - POTS
<i>State:</i>	<i>New York by Market Area *</i>
<i>Time Period:</i>	<i>(Monthly)</i>

Metric	Actual Service Performance		
	Carrier	All Telecom. Carriers	NYNEX & Affiliates
Provisioning			
Number of Installation Orders			
Average Interval - business days			
% Complete w/in 5 Days - Residence			
% Complete w/in 5 Days - Business			
% Missed Appointment - NYNEX - Dispatch			
% Missed Appointment - NYNEX - No Dispatch			
% Completed in 1 business day - Dispatch			
% Completed in 1 business day - No Dispatch			
% Completed w/in 2 business days - Dispatch			
% Completed w/in 2 business days - No Dispatch			
% Completed w/in 3 business days - Dispatch			

% Completed w/in 3 business days - No Dispatch			
% Completed w/in 4 business days			
% Completed w/in 5 business days			
% Completed w/in 6 business days			
% Installation Troubles w/in 7 Days			
% Installation Troubles w/in 30 days			
% Missed Appointment - Customer			
Maintenance			
Total Number of Troubles Reported			
Customer Trouble Report Rate			
% Missed Repair Appointments			
Mean Time to Repair			
% Lines Out of Service > 4 Hours			
% Lines Out of Service > 12 Hours			
% Out of Service > 24 Hours			
% Cleared within 24 Hours			
% Repeat Reports w/in 30 days			
% CPE Troubles			
% Subsequent Trouble Reports			
% No Trouble Found			
% No Access			

Notes: 1.) Customer Trouble Report Rate excludes CPE and subsequent reports. 2) Subsequents are additional calls on open troubles. 3.) Some measures are an indicator of carrier performance, such as % no trouble found, % CPE and % no access

Comparability Reports for Resale

(Under development - separate reports for DS0, DS1, and DS3)

<i>Product:</i>	Resale - Specials
<i>State:</i>	New York By Market Area*
<i>Time Period:</i>	(Monthly)

Metric	Actual Service Performance		
	Carrier	All Telecom. Carriers	NYNEX & Affiliates
Provisioning			
Number of Installation Orders			
Average Interval business days			
% Complete w/in 5 Days			
% Missed Appointment - NYNEX - Dispatch			
% Missed Appointment - NYNEX - No Dispatch			
% Completed in 1 business day - Dispatch			
% Completed in 1 business day - No Dispatch			
% Completed w/in 2 business days - Dispatch			
% Completed w/in 2 business days - No Dispatch			
% Completed w/in 3 business days - Dispatch			
% Completed w/in 3 business days - No Dispatch			
% Completed w/in 4 business days			
% Completed w/in 5 business days			

% Completed w/in 6 business days			
% Installation Troubles w/in 7 Days			
% Installation Troubles w/in 30 days			
% Missed Appointment - Customer			
Maintenance			
Total Number of Troubles Reported			
Customer Trouble Report Rate			
Mean Time to Repair			
% Lines Out of Service > 4 Hours			
% Lines Out of Service > 12 Hours			
% Out of Service > 24 Hours			
% Cleared within 24 Hours			
% Repeat Reports w/in 30 days			
% CPE Troubles			
% Subsequent Trouble Reports			
% No Trouble Found			
% No Access			

Notes: 1. Customer Trouble Report Rate excludes CPE and subsequents. 2. Subsequents are additional calls on open troubles. 3. Some measures are an indicator of carrier performance, such as % no trouble found, % CPE and % no access

Comparability Reports for Unbundled Elements - POTS

<i>Product:</i>	Unbundled Elements - POTS (Dial Tone Services)
<i>State:</i>	<i>New York- By Market Area*</i>
<i>Time Period:</i>	<i>(Monthly)</i>

Metric	Actual Service Performance		
	Carrier	All Telecom. Carriers	NYNEX & Affiliates
Provisioning			
Number of Installation Orders			
Average Interval			
% completed in 1 business day - Dispatch			
% completed in 1 business day - No Dispatch			
% Completed w/in 2 business days - Dispatch			
% Completed w/in 2 business days - No Dispatch			
% Completed w/in 3 business days - Dispatch			
% Completed w/in 3 business days - No Dispatch			
% Completed w/in 4 business days			
% Completed w/in 5 business days			
% Completed w/in 6 business days			
% Missed Appointment - NYNEX - Dispatch			
% Missed Appointment - NYNEX - No Dispatch			
% Installation Troubles w/in 7 Days			

% Installation Troubles w/in 30 days			
% Missed Appointment - Customer			
Maintenance			
Total Number of Troubles Reported			
Customer Trouble Report Rate			
Customer Trouble Report Rate - Loop			
Customer Trouble Report Rate - CO			
% Missed Repair Appointments			
Mean Time to Repair - Loop Trouble			
Mean Time to Repair - CO Trouble			
% Out of Service > 4 Hours			
% Out of Service > 12 Hours			
% Out of Service > 24 Hours			
% Cleared within 24 Hours			
% Repeat Reports w/in 30 days			
% Subsequent Trouble Reports			
% CPE Troubles			
% No Trouble Found			
% No Access			

Notes: 1.) Customer Trouble Report Rate excludes CPE and subsequents. 2.) Subsequents are additional calls on open troubles. 3.) Some measures are an indicator of carrier performance, such as % no trouble found, % CPE and % no access. 4.) Other Unbundled elements include equivalent complex special services requiring specialized circuit design

Comparability Reports for Unbundled Elements - Specials

(Under development - separate reports for DS0, DS1, and DS3)

<i>Product:</i>	Other Unbundled Elements - SPECIALS
<i>State:</i>	New York- By Market Area*
<i>Time Period:</i>	(Monthly)

Metric	Actual Service Performance		
	Carrier	All Telecom. Carriers	NYNEX & Affiliates
Provisioning			
Number of Installation Orders			
Average Interval - business days			
% Complete w/in 5 Days - Dispatch			
% Complete w/in 5 Days - No Dispatch			
% Missed Appointment - NYNEX - Dispatch			
% Missed Appointment - NYNEX - No Dispatch			
% Installation Troubles w/in 30 days			
% Missed Appointment - Customer			
Maintenance			
Total Number of Troubles Reported			
Customer Trouble Report Rate			
Mean Time to Repair			

% Out of Service > 4 hours			
% Out of Service > 24 Hours			
% Repeat Reports w/in 30 days			
% Subsequent Trouble Reports			
% CPE Troubles			
% No Trouble Found			
% No Access			

Notes: 1.) Customer Trouble Report Rate excludes CPE and subsequents. 2.) Subsequents are additional calls on open troubles. 3.) Some measures are an indicator of carrier performance, such as % no trouble found, % CPE and % no access. 4.) Other Unbundled elements include equivalent complex special services requiring specialized circuit design

Comparability Reports for Interconnection

<i>Product:</i>	Interconnection Trunks
<i>State:</i>	<i>New York- By Market Area*</i>
<i>Time Period:</i>	<i>(Monthly)</i>

Metric	Actual Service Performance		
	Carrier	All Telecom. Carriers	NYNEX & Affiliates
Provisioning			
Number of Installation Orders			
Average Interval -business days			
% Missed Appointment - NYNEX			
% Installation Troubles w/in 30 days			
% Missed Appointment - Customer			
Maintenance			
Total Number of Troubles Reported			
Customer Trouble Report Rate			
Mean Time to Repair			
% Out of Service > 2 Hours			
% Out of Service > 4 Hours			
% Out of Service > 12 Hours			
% Out of Service > 24 Hours			

% Repeat Reports w/in 30 days			
% Subsequent Trouble Reports			
% No Trouble Found			

Notes: 1.) Customer Trouble Report Rate excludes CPE and subsequents. 2.) Subsequents are additional calls on open troubles. 3.) Some measures are an indicator of carrier performance, such as % no trouble found, % CPE and % no access

Appendix B

I. Provisioning

A. Missed Installation Appointments

1. POTS Services (Resale or Unbundled Network Elements ("UNE") or Interim Number Portability ("INP") - RCF or RI)

a. Dispatch

% Missed Appointment (NYNEX reason)	Rebate per line for each missed installation appointment:
NYNEX rate + 1.5%	\$15
NYNEX rate + 2.0%	\$17
NYNEX rate + 2.5%	\$20
NYNEX rate + 3.0%	\$25
NYNEX rate + 3.5%	\$30
NYNEX rate + 4.0%	\$35
NYNEX rate + 4.5%	\$40
NYNEX rate + 5.0%	\$45
NYNEX rate + 5.5%	\$50
NYNEX rate + 6.0%	\$55
NYNEX rate + 6.5%	\$65

b. No Dispatch

% Missed Appointment (NYNEX reason)	Rebate per line for each missed installation appointment:
NYNEX rate + 0.5%	\$15
NYNEX rate + 1.0%	\$17
NYNEX rate + 1.5%	\$20
NYNEX rate + 2.0%	\$25
NYNEX rate + 2.5%	\$30
NYNEX rate + 3.0%	\$35
NYNEX rate + 3.5%	\$40
NYNEX rate + 4.0%	\$45
NYNEX rate + 4.5%	\$50
NYNEX rate + 5.0%	\$55
NYNEX rate + 5.5%	\$65

2. Special Services (Resale or UNE)

a. DSO

% Missed Appointment (NYNEX reason)	Additional Rebate missed installation beyond parity
Programming underway to capture actual results. Similar scale to POTS.	\$52.00
	\$72.00
	\$92.00
	\$108.00
	\$155.00
	\$180.00
	\$220.00
	\$270.00
	\$310.00
	\$355.00
	\$400.00

b. DS1

% Missed Appointment (NYNEX reason)	Rebate for missed installation beyond parity
Programming underway to capture actual results. Similar scale to POTS.	\$150.00
	\$200.00
	\$250.00
	\$300.00
	\$350.00
	\$400.00
	\$500.00
	\$600.00
	\$700.00
	\$800.00
	\$900.00

c. DS3

% Missed Appointment (NYNEX reason)	Rebate for each missed installation beyond parity
Programming underway to capture actual results. Similar scale to POTS.	10% Non-Recurring Charges
	15%
	20%
	30%
	40%
	50%
	60%
	70%
	80%
	90%
	100% Non-Recurring Charges

3. Trunks (All Interconnection, Meet-Point Billing, E-911, Operator Services, SS7, and Route Indexing)

a. DSO

% Missed Appointment (NYNEX reason)	Rebate for missed installation beyond parity
Programming underway to capture actual results. Similar scale to POTS.	\$52.00
	\$72.00
	\$92.00
	\$108.00
	\$155.00
	\$180.00
	\$220.00
	\$270.00
	\$310.00
	\$355.00
	\$400.00

b. DS1

% Missed Appointment (NYNEX reason)	Rebate for missed installation beyond parity
Programming underway to capture actual results. Similar scale to POTS.	\$150.00
	\$200.00
	\$250.00
	\$300.00
	\$350.00
	\$400.00
	\$500.00
	\$600.00
	\$700.00
	\$800.00
	\$900.00

c. DS3

% Missed Appointment (NYNEX reason)	Rebate for each missed installation beyond parity
Programming underway to capture actual results. Similar scale to POTS.	10% Non-Recurring Charges
	15%
	20%
	30%
	40%
	50%
	60%
	70%
	80%
	90%
	100% Non-Recurring Charges

B. Completed Within Interval Measure

1. POTS Services (Resale, UNE or INP)

a. Dispatch

% Completed Within 5 Days	Rebate per line completed beyond 5 days:
NYNEX rate + 1.5%	\$15
NYNEX rate + 2.0%	\$17
NYNEX rate + 2.5%	\$20
NYNEX rate + 3.0%	\$25
NYNEX rate + 3.5%	\$30
NYNEX rate + 4.0%	\$35
NYNEX rate + 4.5%	\$40
NYNEX rate + 5.0%	\$45
NYNEX rate + 5.5%	\$50
NYNEX rate + 6.0%	\$55

NYNEX rate + 6.5%	\$65
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b. No Dispatch

% Completed Within 5 Days	Rebate per line completed beyond 5 days:
NYNEX rate + 1.5%	\$15
NYNEX rate + 2.0%	\$17
NYNEX rate + 2.5%	\$20
NYNEX rate + 3.0%	\$25
NYNEX rate + 3.5%	\$30
NYNEX rate + 4.0%	\$35
NYNEX rate + 4.5%	\$40
NYNEX rate + 5.0%	\$45
NYNEX rate + 5.5%	\$50
NYNEX rate + 6.0%	\$55
NYNEX rate + 6.5%	\$65

2. Trunks (All Interconnection, Meet-Point Billing, E-911, Operator Services, SS7, and Route Indexing)

a. DSO

% Completed Within Interval	Rebate
Programming underway to capture.	\$52.00
actual results. Similar scale to POTS.	\$72.00
	\$92.00
	\$108.00
	\$155.00
	\$180.00
	\$220.00
	\$270.00
	\$310.00
	\$355.00
	\$400.00

b. DS1

% Completed Within Interval	Rebate
Programming underway to capture actual results. Similar scale to POTS.	\$150.00
	\$200.00
	\$250.00
	\$300.00
	\$350.00
	\$400.00
	\$500.00
	\$600.00
	\$700.00
	\$800.00
	\$900.00

c. DS3

% Completed Within Interval	Rebate
Programming underway to capture actual results. Similar scale to POTS.	10% Non-Recurring Charges
	15%
	20%
	30%
	40%
	50%
	60%
	70%
	80%
	90%
	100% Non-Recurring Charges

II. Maintenance

A. Resale and UNE - Out of Service More Than 24 Hours

1. POTS Services (Resale, UNE or INP)

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
NYNEX rate + 1.5%	\$15
NYNEX rate + 2.0%	\$17
NYNEX rate + 2.5%	\$20
NYNEX rate + 3.0%	\$25
NYNEX rate + 3.5%	\$30
NYNEX rate + 4.0%	\$35
NYNEX rate + 4.5%	\$40
NYNEX rate + 5.0%	\$45
NYNEX rate + 5.5%	\$50
NYNEX rate + 6.0%	\$55
NYNEX rate + 6.5%	\$65

2. Special Services (Resale or UNE)

a. DSO

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
Programming underway to capture actual results. 1996 results are not available.	\$15
	\$17
	\$20
	\$25
	\$30
	\$35
	\$40
	\$45
	\$50
	\$55
	\$65

b. DS1

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
Programming underway to capture	\$50.00
actual results. 1996 results are not available.	\$65.00
	\$75.00
	\$90.00
	\$110.00
	\$130.00
	\$150.00
	\$170.00
	\$190.00
	\$210.00
	\$250.00

c. DS3

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
Programming underway to capture	25% Recurring Charge
actual results. 1996 results are not available.	30% Recurring Charge
	35% Recurring Charge
	40% Recurring Charge
	45% Recurring Charge
	50% Recurring Charge
	55% Recurring Charge
	60% Recurring Charge
	65% Recurring Charge
	70% Recurring Charge
	75% Recurring Charge

3. Trunks (All Interconnection, Meet-Point Billing, E-911, Operator Services, SS7, and Route Indexing)

a. DSO

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
Programming underway to capture actual results. 1996 results are not available.	\$15
	\$17
	\$20
	\$25
	\$30
	\$35
	\$40
	\$45
	\$50
	\$55
	\$65

b. DS1

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
Programming underway to capture actual results. 1996 results are not available.	\$50.00
	\$65.00
	\$75.00
	\$90.00
	\$110.00
	\$130.00
	\$150.00
	\$170.00
	\$190.00
	\$210.00

	\$250.00
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c. DS3

% OOS > 24 Hours	Rebate per line OOS > 24 Hours
Programming underway to capture	25% Recurring Charge
actual results. 1996 results are not available.	30% Recurring Charge
	35% Recurring Charge
	40% Recurring Charge
	45% Recurring Charge
	50% Recurring Charge
	55% Recurring Charge
	60% Recurring Charge
	65% Recurring Charge
	70% Recurring Charge
	75% Recurring Charge

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